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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8- 45304

Washington DC  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

FACING PAGE

REPORT FOR THE PERIOD BEGINNING 01/01/16 AND ENDING 12/31/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **JHW Financial Services, Inc. dba Financial Telesis, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
**4340 Redwood Highway, Suite B-75**

(No. and Street)

**San Rafael**  
(City)

**California**  
(State)

**94903**  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
**Elizabeth S. Collins**

**(415) 526-2759**

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**Ernst Wintter & Associates LLP**

(Name - if individual, state last, first, middle name)

**675 Ygnacio Valley Road, Suite A200**  
(Address)

**Walnut Creek**  
(City)

**California**  
(State)

**94526**  
(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

<b>FOR OFFICIAL USE ONLY</b>

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, Elizabeth S. Collins, affirm that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of JHW Financial Services, Inc. dba Financial Telesis, Inc., as of December 31, 2016, are true and correct. I further affirm that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

**California All-Purpose  
Acknowledgment Attached**

Signature

Title

Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of Marin )On 25 FEBRUARY 2017 before me, Linda K. Moody, Notary Public,

Date

Here Insert Name and Title of the Officer

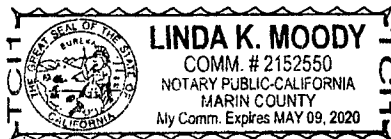
personally appeared ELIZABETH S. COLLINS

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Linda K. Moody  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

675 Ygnacio Valley Road, Suite A200  
Walnut Creek, CA 94596

(925) 933-2626  
Fax (925) 944-6333

**Report of Independent Registered Public Accounting Firm**

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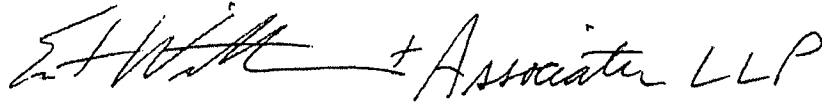
To the Shareholder  
JHW Financial Services, Inc.

We have audited the accompanying statement of financial condition of JHW Financial Services, Inc. (the "Company") as of December 31, 2016, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JHW Financial Services, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Schedules I and II have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, Schedules I and II are fairly stated, in all material respects, in relation to the financial statements as a whole.

 + Associates LLP

Walnut Creek, California  
February 24, 2017

**JHW Financial Services, Inc.  
dba Financial Telesis, Inc.**

**Statement of Financial Condition**

**December 31, 2016**

<b>Assets</b>		
Cash and cash equivalents	\$	426,779
Deposit with clearing broker		50,138
Commissions receivable		478,327
Accounts receivable		73,505
Other assets		292,557
Property and equipment, net of \$114,078 accumulated depreciation		5,005
<b>Total Assets</b>	<b>\$</b>	<b>1,326,311</b>
<b>Liabilities and Stockholder's Equity</b>		
<b>Liabilities</b>		
Accounts payable	\$	59,665
Commissions payable		425,755
Deferred revenue		2,175
<b>Total Liabilities</b>		<b>487,595</b>
<b>Stockholder's Equity</b>		
Common stock \$50 stated value; 10,000 shares authorized; 100 shares issued and outstanding)		5,000
Additional paid in capital		29,869
Retained earnings		803,847
<b>Total Stockholder's Equity</b>		<b>838,716</b>
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$</b>	<b>1,326,311</b>

The accompanying notes are an integral part of these financial statements.

**JHW Financial Services, Inc.**  
**dba Financial Telesis, Inc.**

**Statement of Income**

**For the Year Ended December 31, 2016**

<b>Revenue</b>	
Investment banking fees	\$ 22,378,162
Mutual fund and 12b-1 fees	547,956
Commissions and fees	185,493
Consulting fees	244,525
Other income	30,138
<b>Total Revenue</b>	<b>23,386,274</b>
<b>Operating Expenses</b>	
Commissions	21,978,767
Compensation	549,052
Professional fees	218,043
Rent	4,392
Depreciation	3,996
Other operating expenses	168,465
<b>Total Operating Expenses</b>	<b>22,922,715</b>
<b>Income Before Income Tax</b>	<b>463,559</b>
Income tax	10,643
<b>Net Income</b>	<b>\$ 452,916</b>

The accompanying notes are an integral part of these financial statements.

**JHW Financial Services, Inc.**  
**dba Financial Telesis, Inc.**

**Statement of Changes in Stockholder's Equity**

**For the Year Ended December 31, 2016**

	<b>Common Stock</b>	<b>Additional Paid in Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
January 1, 2016	\$ 5,000	\$ 29,869	\$ 871,764	\$ 906,633
Distributions	-	-	(520,833)	(520,833)
Net income	-	-	452,916	452,916
<b>December 31, 2016</b>	<b>\$ 5,000</b>	<b>\$ 29,869</b>	<b>\$ 803,847</b>	<b>\$ 838,716</b>

The accompanying notes are an integral part of these financial statements.

**JHW Financial Services, Inc.**  
**dba Financial Telesis, Inc.**

**Statement of Cash Flows**

**For the Year Ended December 31, 2016**

<b>Cash Flows from Operating Activities</b>	
Net income	\$ 452,916
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	3,996
(Increase) decrease in:	
Deposit with clearing broker	(123)
Commissions receivable	(50,522)
Accounts receivable	37,647
Other assets	77,079
Increase (decrease) in:	
Accounts payable	12,113
Commissions payable	46,736
Accrued expenses	(22,653)
Deferred revenue	(750)
<b>Net Cash Provided by Operating Activities</b>	<b>556,439</b>
<b>Cash Flows from Financing Activities</b>	
Distributions paid	(520,833)
<b>Net Cash Used in Financing Activities</b>	<b>(520,833)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>35,606</b>
Cash and cash equivalents at beginning of year	391,173
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 426,779</b>
<b>Supplemental Disclosures:</b>	
Taxes paid	\$ 10,643

The accompanying notes are an integral part of these financial statements.



**JHW Financial Services, Inc.  
dba Financial Telesis, Inc.**

**Notes to the Financial Statements**

**December 31, 2016**

**1. Organization**

JHW Financial Services, Inc. dba Financial Telesis, Inc. (the "Company"), a California S corporation, was incorporated on June 26, 1992 and registered as a broker-dealer and investment advisory firm under the Securities Exchange Act of 1934 in December 1992. The Company commenced securities transactions in January 1993. The Company primarily operates as an investment banking firm and provides compliance consulting as well as FINOP services to other registered broker dealers.

**2. Significant Accounting Policies**

**Cash and Cash Equivalents**

The Company considers all demand deposits held in banks and certain highly liquid investments with original maturities of three months or less, other than those held for sale in the ordinary course of business, to be cash equivalents.

**Accounts Receivable**

Management reviews accounts receivable and sets up an allowance for doubtful accounts when collection of a receivable becomes unlikely. No allowance for uncollectible accounts receivable has been recorded as all receivables are deemed collectible by management as of December 31, 2016.

**Equipment**

Equipment is recorded at cost. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful life (5 years) of the asset. The Company's policy is to capitalize equipment purchases greater than \$1,000.

**Commission Revenue**

Commission revenues are related to securities transactions and are recorded on the trade date basis.

**Investment Banking Fees**

Investment banking revenues are earned from providing merger and acquisition advisory services. Revenue is recognized when earned either by fee contract or the success of a predetermined specified event and the income is reasonably determinable. Fees are earned in both cash and securities and are recognized at fair value.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Fair Value of Financial Instruments**

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

**JHW Financial Services, Inc.  
dba Financial Telesis, Inc.**

**Notes to the Financial Statements**

**December 31, 2016**

**2. Significant Accounting Policies (continued)**

**Income Taxes**

Commencing in 1995, the Company, with the consent of its shareholder, elected under the Internal Revenue Code to be taxed as an S corporation. In lieu of corporate income taxes, the shareholder of an S corporation is taxed on his proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The provision shown is for applicable state income taxes. The Company is no longer subject to income tax examinations by tax authorities for years before 2012.

Deferred income taxes are recognized for differences between the basis of assets and liability for financial statement and income tax purposes. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are not significant for the Company.

The provision for income taxes shown consists of the Company's share of state income taxes of \$10,643.

**3. Deposit with Clearing Organization**

The Company discontinued their relationship with their clearing organization, Pershing LLC. The Company still maintains a clearing deposit in the amount of \$50,138 until all accounts are moved or closed.

**4. Risk Concentration**

The Company's cash and cash equivalents consist of cash held at three financial institutions where they each may exceed government insurance limits during the year. At December 31, 2016, the Company's uninsured cash balances totaled \$55,554.

**5. Employee Benefit Plan**

The Company has a qualified 401(k) profit sharing plan which covers substantially all employees meeting certain eligibility requirements. Participants may contribute a portion of their compensation to the plan, up to the maximum amount permitted under Section 401(k) of the Internal Revenue Code. The Company is able to make discretionary contributions to the plan. For 2016, the Company's contribution was \$76,250.

**6. Net Capital Requirements**

The Company is subject to the Securities and Exchange Commission's uniform net capital rule (Rule 15c3- which requires the Company to maintain a minimum net capital equal to or greater than \$5,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined. At December 31, 2016, the Company's net capital was \$415,077 which exceeded the requirement by \$382,571.

**JHW Financial Services, Inc.  
dba Financial Telesis, Inc.**

**Notes to the Financial Statements**

**December 31, 2016**

**7. Lease Obligations**

The Company pays \$366 a month for office space under a month to month agreement.

**8. Subsequent Events**

The Company has evaluated subsequent events through February 23, 2017, the date which the financial statements were issued.

***SUPPLEMENTAL INFORMATION***

**JHW Financial Services, Inc.**  
**dba Financial Telesis, Inc.**  
**Schedule I**

**Computation of Net Capital Under Rule 15c3-1**  
**of the Securities and Exchange Commission**

**As of December 31, 2016**

<b>Net Capital</b>	
Total stockholder's equity	\$ 838,716
Less: Non-allowable assets	
Commissions receivable	52,572
Accounts receivable	73,505
Other assets	292,557
Property and equipment, net	5,005
Total non-allowable assets	423,639
<b>Net Capital</b>	<b>415,077</b>
Net minimum capital requirement of 6 2/3% of aggregate indebtedness of \$487,595 or \$5,000, whichever is greater	32,506
<b>Excess Net Capital</b>	<b>\$ 382,571</b>

**Reconciliation with Company's Net Capital Computation**  
**(Included in Part II of Form X-17A-5 as of December 31, 2016)**

Net capital, as reported in Company's	
Part II of Form X-17A-5 as of December 31, 2016	\$ 415,079
Decrease in stockholder's equity	(50,351)
Decrease in non-allowable assets	50,349
<b>Net Capital Per Above Computation</b>	<b>\$ 415,077</b>

See report of independent registered public accounting firm.

**JHW Financial Services, Inc.**  
**dba Financial Telesis, Inc.**  
**Schedule II**

**Computation for Determination of Reserve Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission**

**For the Year Ended December 31, 2016**

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i). All transactions are processed in accordance with Rule 15c3-1(a)(2).

**Information Relating to Possession or Control Requirements Under  
Rule 15c3-3 of the Securities and Exchange Commission**

**For the Year Ended December 31, 2016**

An exemption from Rule 15c3-3 is claimed, based upon section (k)(2)(i).

See report of independent registered public accounting firm.

675 Ygnacio Valley Road, Suite A200  
Walnut Creek, CA 94596

(925) 933-2626  
Fax (925) 944-6333

**Review Report of Independent Registered Public Accounting Firm**

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To the Shareholder

JHW Financial Services, Inc.

We have reviewed management's statements, included in the accompanying SEA 15c3-3 Exemption Report, in which (1) JHW Financial Services, Inc. (the "Company") identified the following provisions of 17 C.F.R. §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. §240.15c3-3: (k)(2)(i) (the "exemption provisions") and (2) the Company stated that it met the identified exemption provisions throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

 & Associates LLP

Walnut Creek, California  
February 24, 2017

February 1, 2017

SEA 15c3-3 Exemption Report

I, Elizabeth Collins, President of JHW Financial Services (the "Company") represent the following:

1. The Company claims the k(2)(i) exemption from 17 C.F.R. §240.15c3-3;
2. The Company met the identified exemption provisions in 17 C.F.R. §240.15c3-3(k)(i) throughout the most recent fiscal year ending December 31, 2016 without exception; and
3. There were no exceptions during the most recent fiscal year in meeting the identified exemption provisions in 17 C.F.R. §240.15c3-3(k).

I affirm that, to my best knowledge and belief, this Exemption Report is true and correct. The Company does not handle cash or securities on behalf of customers.

Respectfully submitted,



Elizabeth Collins  
President